

## Revenue Forecast

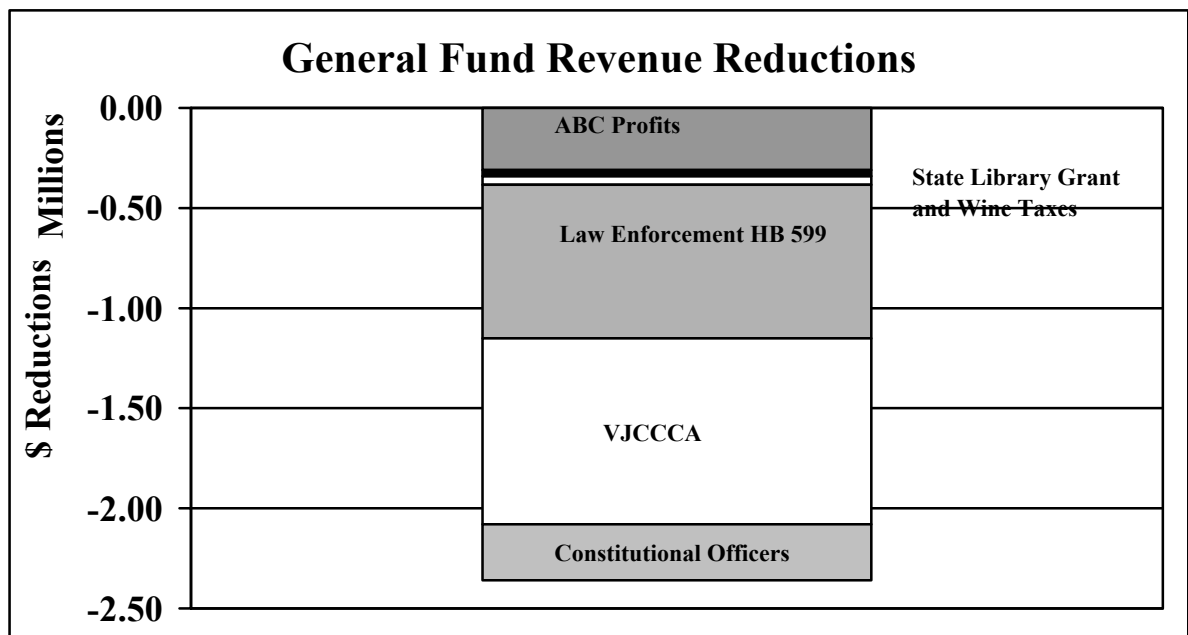
Norfolk budgets and accounts for its revenues (and expenditures) within various funds. The City's revenues, while impacted by the current condition of the national economy, continue to show modest growth. However, the ongoing, as well as the long-term financial health of the City, requires a close review of the economy and major revenue sources.

### Economic Overview

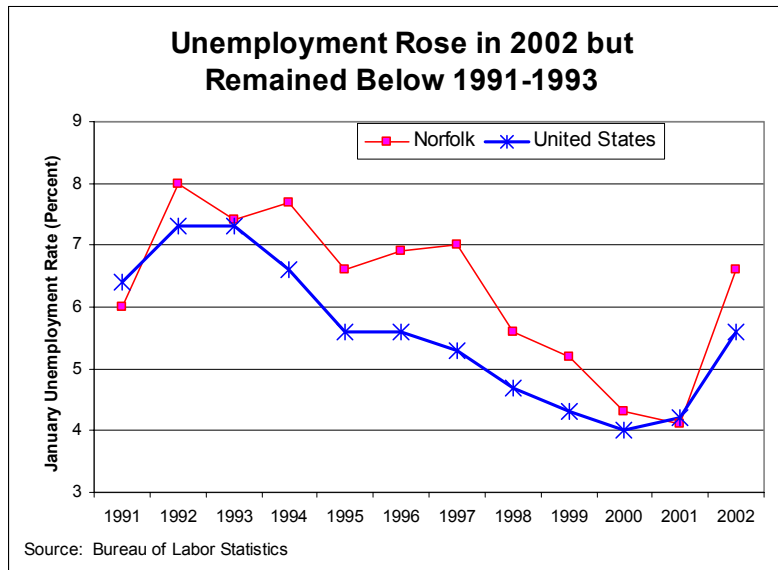
The economy of the nation underwent tremendous change during 2001, witnessing a recession triggered by the business cycle, compounded further by the impacts of the terrorist attacks in September. During the spring of 2002, the economy has shown signs of recovery, with jobs restored and an increase in of the consumer confidence index. Spending by consumers drives two-thirds of the national economy, and the consumer confidence index measures the intent of consumers to spend.

The State of Virginia has not been spared from the impact of the national economic downturn. Corporate income tax revenues are down as businesses have suffered setbacks, unemployment has increased, and those communities with manufacturing plants have been hit the hardest. The State projects a revenue shortfall of over \$3.8 billion for the 2002-2004 biennium. The shortfall resulted in a difficult budget cycle in the General Assembly, and the Virginia First Cities Coalition projects that localities statewide will shoulder \$525 million in cuts.

For example, the State is cutting funding for services to the juveniles in the justice system by more than 50 percent. Additionally, HB599 funding for public safety programs has been reduced. Other State funding reductions will be realized in taxes returned to Norfolk in alcoholic beverage consumption, wine, reimbursements for constitutional officers, aid for libraries and school construction grants. The City of Norfolk will lose in excess of \$2.3 million in FY2003 due to the budget cuts implemented by the State in these areas.



Hampton Roads has been affected by the recession, but to a lesser degree than the rest of the nation. This is due partially to the presence of the Navy, which buffers the region during such periods. Unemployment levels did rise locally and regionally. The graph below compares local unemployment with the nation.

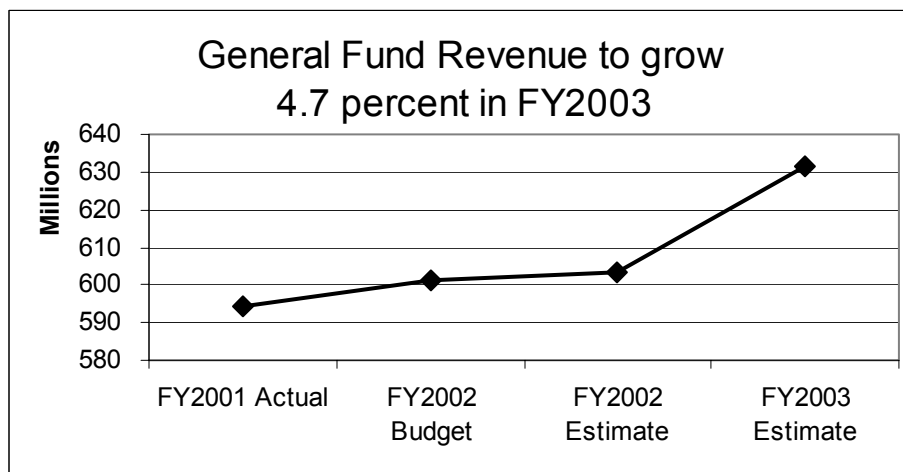


Over the twelve months, the economic slowdown has affected the rate of revenue growth in Norfolk, but as the economy pulls out of the recession and starts to grow, the rate of revenue is projected to increase.

Projections for the revenue accounts in the General Fund were formulated initially in February, using five-year historical trends combined with the latest economic indicators. As information about the State budget became available, these projections were updated; with a final revision completed in April to reflect the most recent information available. Some questions remain unanswered about the full State budget impact. Estimates for each account are based on a careful examination of the collection history and patterns, the underlying drivers that impact the revenue item and the overall economic environment projected for the City in the coming year. Most estimates involve two projections, an estimate of the amount to be collected in FY 2002 and an estimate for the increase or decrease anticipated for FY 2003.

Revenue estimates for FY 2003 reflect a 4.7 percent growth over the prior fiscal year, bringing the City revenues to \$631.9 million. This is a net increase of \$28.3 million.

Albeit, the net increases in funds, many of the City revenue sources are for specific program areas limiting the City's discretion locally to direct the funds.

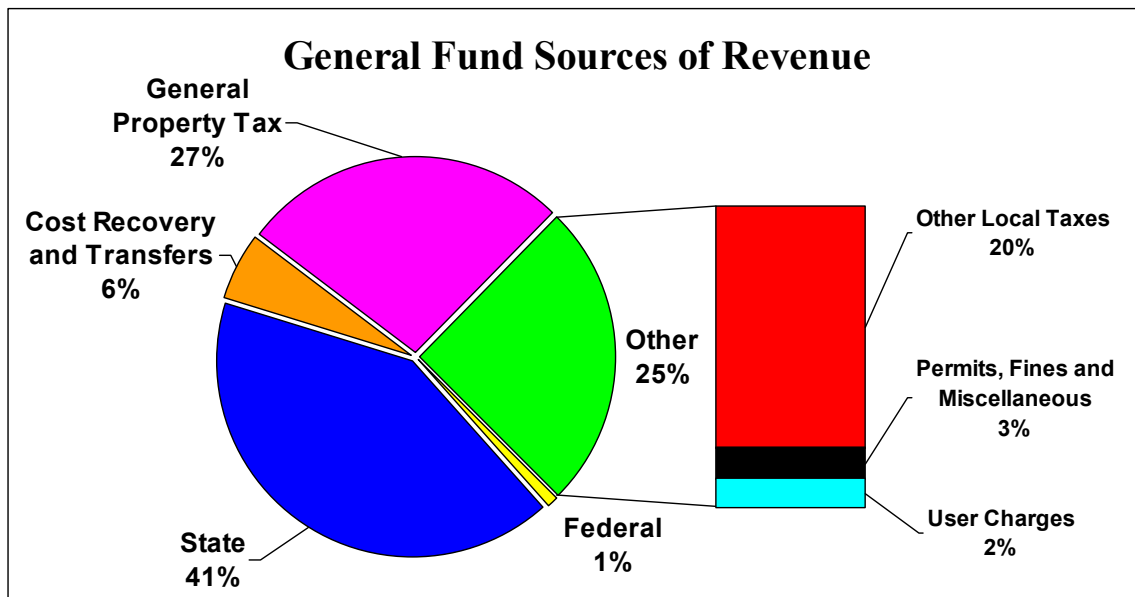


In comparison with the prior year, some revenue sources have been realigned to comply with generally accepted accounting principles. One of the major realignments includes over \$1.3

million of revenues generated by cemeteries being moved to a special revenue fund. Additionally, revenue generated by the Emergency 911 taxes in the amount of \$4.1 million has been moved to a special revenue account, to better track the revenue and spending associated with the 911-call center.

## General Fund Revenue

	<b>FY2001 Actual</b>	<b>FY2002 Budget</b>	<b>FY2002 Estimate</b>	<b>FY2003 Estimate</b>
<b>General Property Taxes</b>	153,403,861	164,245,667	163,825,908	171,909,300
<b>Other Local Taxes</b>	119,680,747	121,686,306	123,517,381	126,704,700
<b>Permits, Fees &amp; Licenses</b>	2,617,729	3,389,586	2,593,811	2,728,200
<b>Fines And Forfeitures</b>	1,558,699	1,583,433	1,578,158	1,593,200
<b>From Use of Money &amp; Property</b>	9,101,441	9,220,533	7,564,556	7,676,000
<b>Charges for Services</b>	13,182,812	15,779,172	14,627,816	14,731,400
<b>Miscellaneous</b>	4,993,962	4,462,233	4,392,554	3,794,600
<b>Non-Categorical Aid</b>	29,488,135	24,684,871	28,636,366	29,943,900
<b>Local Source Revenue</b>	<b>334,027,386</b>	<b>345,051,801</b>	<b>346,736,550</b>	<b>359,081,300</b>
<b>Recovered Costs</b>	10,190,040	10,024,004	9,521,371	10,787,400
<b>Shared Expenses</b>	16,775,204	16,813,908	16,773,122	16,534,300
<b>Categorical Aid - Virginia</b>	206,108,577	208,524,700	209,516,276	214,556,000
<b>Categorical Aid - Federal</b>	4,710,307	5,568,827	5,552,409	6,000,370
<b>Non-Local Sources Revenue</b>	<b>237,784,128</b>	<b>240,931,439</b>	<b>241,363,178</b>	<b>247,878,070</b>
<b>Other Sources and Transfers</b>	22,558,634	15,080,000	15,205,000	25,029,730
<b>General Fund Revenue</b>	<b>594,370,272</b>	<b>601,063,240</b>	<b>603,304,728</b>	<b>631,989,100</b>

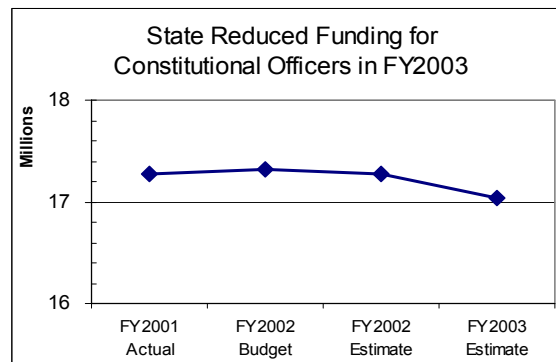
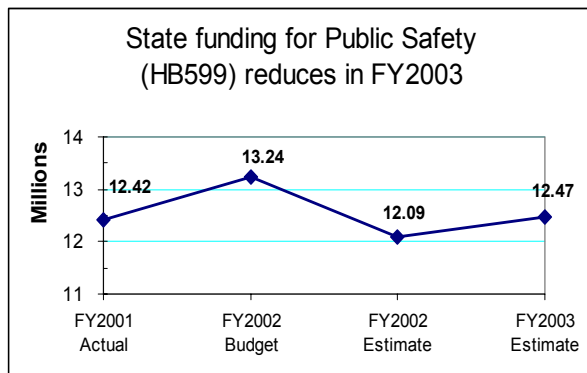


## Sources of Revenue

The City of Norfolk generates revenue by levying taxes, collecting user charges, and processing intergovernmental transfers from the state and federal government.

The City generates over 52 percent of its total revenue from various taxes and fees including real estate, sales, utility, franchise fee, permits, fines and user charges. These sources provide the operating revenue for the City. Operating revenue is used by the City to provide general services including police, fire, parks, streets, and education. More and more, higher portions of the locally generated funds, by necessity, are being used to fund State obligations.

The State provides 41 percent of the total revenue. This revenue consists of funding for dedicated purposes such as education, constitutional officers, and social services. The City has very little discretion on how the revenue from the State is spent. Revenue returned from the State for the rental of cars and reimbursements for personal property tax is also part of this category.



The federal government provides 1 percent of the total City funds, the majority of which are dedicated to education. The remaining 6 percent of the City's budget comes from inter-fund transfers, and carry-forward funds from accumulated savings. Inter-fund transfers represent a return on investment from the Water and Storm Water utility operations. Carry-forward funds for one-time expenditures are made possible from current and prior year savings.

### Revenue Monitoring

Collection patterns for all of the City's revenue sources are monitored throughout the year. This monitoring helps confirm the accuracy of budget projections and allows for appropriate administrative action if actual results differ substantially from projections. The monitoring process also extracts data from monthly financial reports and results in a detailed collections database which supports projections of future period revenue collections taking into account unique patterns or seasonal fluctuations. Collection rates for locally generated taxes and fees are high, in the upper percentiles, which reflect the commitment and fulfillment of responsibility Norfolk's citizens show to their City.

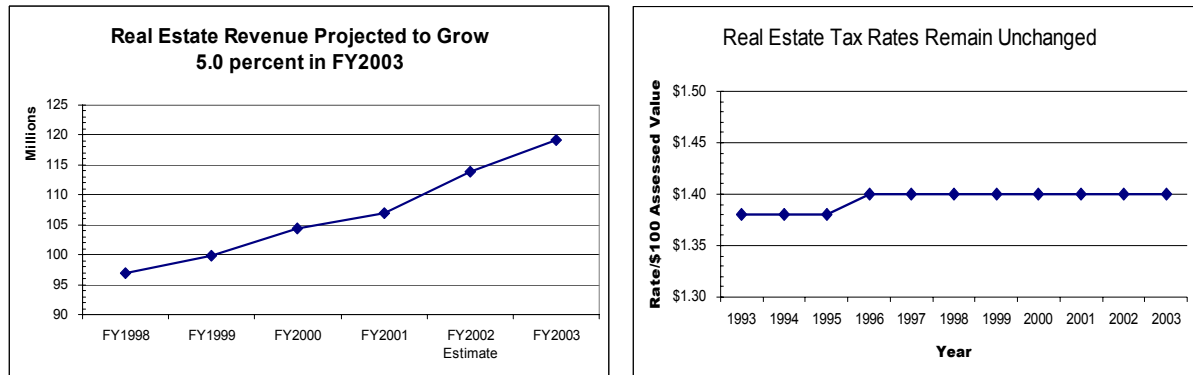
## Revenue from Local Sources

### General Property Taxes

General Property Taxes are levied on the assessed value of real and personal property. They represent about 27 percent (\$171.9 million) of the City's General Fund resources.

The real estate tax has remained at the current rate of \$1.40 per \$100 of assessed value since 1996. This tax represents 19 percent of the total revenues in FY2003. Assessments are

projected to grow at an average rate of 5.0 percent Citywide. The growth in assessments indicates a strong residential real estate market as well as a commercial real estate market that remains healthy. Growth in the commercial sector is partially attributable to the City attracting new businesses including the Zim American Israeli Shipping Company, the Ford Plant expansion, the construction of the new Main Street Tower, completion of the Courtyard by Marriott and Lake Wright Executive Center.



The City's overall assessment growth rate in FY2002 was 4.66 percent over the prior fiscal year, growing at an average annual rate of 3.7 percent over the five-year period from FY1997 to FY2002. Considerations about the City's assessments growth include the fact that the City is fully developed with a large portion of the increased value attributable to redevelopment efforts. Nearly half of all property in the City is tax-exempt due to a large military presence.

In FY2003, the City is expanding the real estate tax relief program for the elderly, to allow qualifying senior citizens over 65 years old, to receive 100% relief from real estate tax if their annual income is \$12,900 or less. In FY02, the limit for 100% tax relief was \$10,000. The total allowable assets limit increased from \$75,000 to \$100,000. The details of other changes in the program are still under consideration.

### Personal Property Tax

Personal property tax is levied on all tangible personal property, except household goods and personal effects, including motor vehicles and delivery equipment. Motor vehicles were taxed at \$4 per \$100 of assessed value, which was slated for a phase-out in FY2003.

The car sales market was robust in fiscal year 2002 due to the "zero percent" interest rate sale by carmakers. This was partially responsible for a higher than originally anticipated projection for personal property tax growth in fiscal year 2003. Overall, personal property tax is expected to grow at the rate of 4.2 percent. The State has postponed the car-tax rollback by two years, and froze it at the current level of relief.

The City reduced the tax for recreational vehicles as shown below. The adjustment is consistent with the structure of the recreational vehicle tax in other cities in the region. The City anticipates losing \$21,775 in revenue from adjusting this tax.

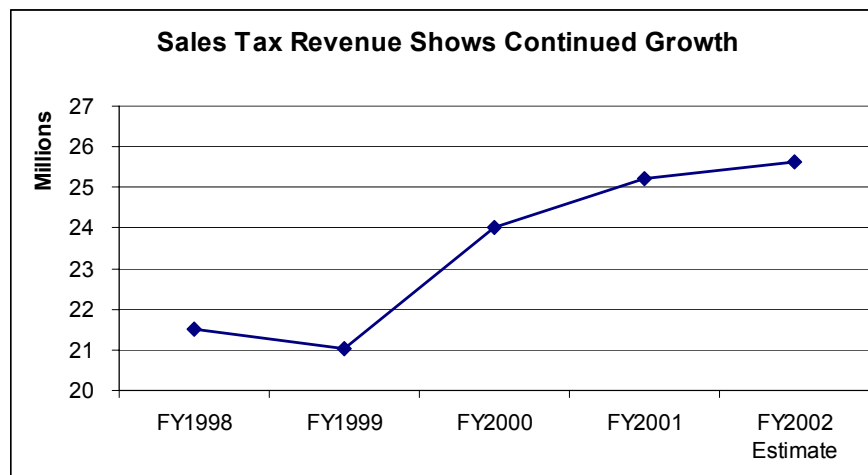
Tax	Current	Proposed	Fiscal Impact
Recreational Vehicle	\$2.00 per \$100 Assessed Value	\$1.50 per \$100 Assessed Value	(\$21,775)

**Machinery and Tools Tax** revenue is projected to increase by over 26 percent due to the expansion of the Ford motor plant located in Norfolk. Although the Ford plant is expanding in FY2003, the revenue stream has shown a slower growth pattern in FY2002 due to the cutbacks in business investment seen nationwide.

### Other Local Taxes

Other local taxes are comprised of consumer and business based taxes, including excise taxes on utilities, sales, hotel/motel, restaurant, admissions and cigarettes, as well as franchise and business license taxes. Other local taxes form 20 percent (\$126.7 million) of the City's General Fund resources.

**Sales tax** is levied on the selling and distribution, use or consumption of tangible personal property; the leasing or renting of tangible personal property and the storage of personal property inside or outside Virginia that is for use in Virginia. The retail sales and use tax is 4.5 percent and one percent is returned to localities as their share. Monthly tax receipts help to project this tax. Revenue is sensitive to underlying price level changes and will increase with the prices of goods sold. Current year estimates are used in projecting next year's revenues after applying overall price assumptions. Changes in the local retail market (such as the opening of new stores, the performance of existing malls, and overall consumer confidence index) are used for projecting this revenue. Increase in sales tax revenue, as shown in the chart below, is attributed in major part to the construction and opening of MacArthur Center in March 1999. The completion of construction along Military Highway drew new retail development along the corridor.



**Consumer's utility tax** is levied on the purchase of utility services including water, gas, electricity, local telecommunications and cable television services. The tax is assessed on the amount charged, exclusive of any federal tax for telephone, water, cable TV, and cellular phones. Monthly receipts are monitored and used as a basis for estimating the revenue yield, taking seasonal variations into consideration.

**Business license tax** is collected from any person who engages in a business, trade, profession, occupation, or other activity in the City, or maintains a place of business, either permanent or temporary or conducts a business related activity. Rates vary depending on

business classification, and are generally imposed as a percentage of gross receipts. Revenue is projected to grow slightly as the economy turns around.

### Tax Reduction

To treat all members of the maritime industry equitably, the City is capping the business license tax for the Stevedores at \$2,500 per year, resulting in a revenue reduction of \$50,825 to the City. The remaining members of the maritime industry, including tugboats, freight forwarders, and shipping agents are all capped at \$2,500 currently.

Tax	Current	Proposed	Fiscal Impact
Business License Tax for Stevedores	\$0.36/\$100 of gross receipts up to \$5,000,000; \$0.05/\$100 thereafter	\$0.36/\$100 of gross receipts, up to a maximum tax of \$2,500.	(\$50,825)

**Meals tax** is collected on prepared meals and the tax rate is 5.5 percent on the value of the meal. This revenue stream is growing due to the large number of new restaurants that have opened in Downtown Norfolk, with the rejuvenation of Waterside and Granby Street, continued success of MacArthur Center and completion of construction on Military Highway. Average annual growth from 1997 to 2001 was 5.7 percent. In 2001-2002 several new restaurants have opened including Club Soda, Domo Sushi and the WonderBar, while others expanded. Other national and regional chains continue to express interest in opening restaurants along Granby Street in Downtown Norfolk; therefore, growth is expected to continue in this revenue source.

**Hotel tax** is levied on hotel rooms rented out and charged based on the room rate at 7 percent. The Courtyard by Marriott will add new inventory to the Downtown hotel market starting in FY2003, while two others are slated for development in FY2004. Revenue for FY2003 is projected to grow by 6.4 percent to include the new hotel. Revenue for FY2002 is projected to grow by 7.7 percent over the prior year, as several downtown hotels completed renovations. The events of September 11, 2001 have resulted in an increased amount of automobile travel to the region and a new airline started operations locally.

### Tax Increases

To continue the City's efforts to become a tourist and visitors destination, improvements to existing facilities and planning and preparation for new venues are needed. To provide limited financial resources dedicated for this purpose, taxes are increased for meals and hotel/motel rates. The \$4.2 million resulting from these tax adjustments will be set up in a special revenue reserve to fund needed improvements to public amenities and civic facilities. The City remains comparable to other cities in the region and throughout the State with whom we compete for travel and entertainment dollars.

Tax	Current	Proposed	Fiscal Impact
Restaurant Tax	5.5 percent	6.5 percent	\$3,581,000
Hotel/Motel Tax	7 percent	8 percent	\$684,000

To fully fund the operational costs of the Emergency Operations Center, the City is increasing the 911 taxes by \$0.20. Revenue from the Emergency 911 tax is also being moved into a special revenue fund to better track the revenue against the associated expenditures.

<b>Tax</b>	<b>Current</b>	<b>Proposed</b>	<b>Fiscal Impact</b>
Emergency 911 Tax	\$2.20	\$2.40	\$300,000

### **Charges for Services**

Charges for Services consist of revenues received from persons using the services. These changes include Zoo admissions, cemeteries, paramedical rescue service, and miscellaneous school fees. In addition, charges are also collected for serving legal papers. This revenue represents 2.3 percent (\$14.7 million) of the City's total budget.

Three new fees were authorized by the State for FY2003, to be collected by the Clerk of the Courts, and will be in place starting July 1<sup>st</sup>.

<b>Fee</b>	<b>Current</b>	<b>Proposed</b>	<b>Fiscal Impact</b>
Jail Processing Fees	None	\$25 (for those that are convicted and sent to the local jail.	<b>\$78,800</b>
DNA Fees	None	\$25 for DNA samples of convicted felons, collected as part of court costs. Revenue shared by City and State equally	<b>\$35,000</b>
Courthouse Security Fees	None	\$5 per criminal and traffic case. This fee is identified by State legislation to sunset in two years.	<b>\$500,000</b>

### **Use of Money and Property**

Revenue from the Use of Money and Property is comprised primarily of interest earned on cash balances, rents from short and long-term property leases and prudent management of City assets. The revenue represents 1.2 percent (\$7.6 million) of the City's budget.

### **Permits and Fines**

Permits are issued to regulate new construction and ensure public safety. Permits, Privilege Fees and Licenses are comprised of fees for permits, licenses and other privileges subject to City regulation, partially to cover the expense of providing the regulatory services (taxi permits, zoning inspections, construction permits, etc.) to the community. Fines and forfeitures contain revenues received from the courts as fines and forfeitures for violations of City ordinances. These provide 0.7 percent (\$4.3 million) of the City's General Revenue budget.

### **Non-Categorical Aid - Virginia**

Non-Categorical Aid - Virginia contains state revenues shared with localities without restriction as to use, including taxes on wine, railroad equipment, car rentals and deeds, as well as profits from the operations of the Alcoholic Beverage Control Board and the HB 599 funds for local law enforcement. This category represents 4.7 percent (\$29.9 million) of the City's General Fund revenues.

House Bill 599 was enacted in 1981 and established to provide State aid to localities for law enforcement expenditures in the City. This law was a companion to State legislation restricting annexation and thus impeding a city's ability to increase its boundaries and tax base. The annual amount is determined based on a formula including the average crime rate, population density and certain population characteristics. A share of the total revenue growth Statewide is



provided to localities. This legislation has never been fully funded. Norfolk will see a reduction of over \$1 million in the current year due to reduced State revenue projections. Next year's allocation from the State is reduced from the current year's budget by over \$767,010.

## **Revenue Not Under Local Control**

The following revenue sources are not locally controlled, but are earmarked for specific purposes and programs or where there is limited local influence over the flow of the revenue items. This category includes General Fund capital and operating expenses recovered from employee associated expenses, outside agencies, and the public, as well as intergovernmental funds transferred to the City for specific restricted purposes and uses such as education and social services. These revenues comprise 39.2 percent of the total City revenues and are dedicated to education and social services. The following are the major revenue sources that make up this category:

### **Recovered Costs**

Recovered Costs consist of revenues representing the General Fund capital and operating expenses recovered from expenses associated with employee costs, city and outside agencies, and the public. Recovered costs constitute 1.7 percent (\$10.7 million) of the City's General Fund Revenues.

### **Shared Expenses**

Shared Expenses consist of recovered costs primarily from the State for a portion of the salaries and operating expenses including Sheriff and Jail, City Treasurer, Commissioner of the Revenue, and the Commonwealth Attorney. This revenue forms 2.6 percent (\$16.5 million) of the General Fund budget. This will cause the revenue to decline by over \$279,608 in FY2003. The City cannot make up all of the cuts imposed by the State.

### **State Categorical Aid**

Categorical Aid from the State of Virginia consists of revenues for education, public assistance grants and social service programs, Virginia Department of Transportation funding for street maintenance and local adult correctional facility revenues. Categorical Aid constitutes 33.9 percent (\$ 214.5 million) of the General Fund Revenues.

State reimbursements for the cost of operating the **Social Services** department include cost of personnel services, fringe benefits, non-personal services, rent for buildings and parking, etc. The reimbursement rate varies by program from 50 to 70 percent of the overall costs incurred.

**Education Revenue** from the State is part of the categorical aid received by the City. Two major categories that form this revenue source are State Sales and Use Tax and State School Funds.

**State Sales and Use Tax Returned** is the revenue from the City's proportionate share of the one percent of the State Sales and Use Tax, which is designated for education purposes. The City's share is based on the ratio of the number of school age children in the City to the number of school age children Statewide.

- **State School Funds** reflect the schools' operational costs. The rate of reimbursements is based on the Standards of Quality formula. Reimbursement rates vary by program and area of emphasis. Changes in enrollment figures affect this revenue source. According to the Joint Legislative Action and Review Committee (JLARC), the State under funds schools Statewide by about \$1 billion every year. Localities are required to match the State contribution based on a composite index. Norfolk currently more than matches its maintenance of local effort.

**Street construction and maintenance** revenue is received from the Virginia Department of Transportation to maintain the City's principal and minor arterials, collector roads and local streets based on moving lane miles. The revenue is provided based on a statewide maintenance index of the unit costs used on roads and bridges. Changes in the index are used to calculate and implement annual per-land-mile rates. The rates fluctuate on index changes and number of miles assessed. Funds offset qualifying operating costs recorded in the City's budget.

### **Federal Categorical Aid**

Federal Categorical Aid consists of education funds from the federal government and is 0.9 percent (\$6.0 million) of the FY 2003 budget.

### **Other Sources and Transfers**

Other Sources and Transfers consist of intra-governmental transfers from the Water Fund, and Storm Water Fund to the General Fund. It also consists of carryover monies and land sale revenues totaling 3.9 percent (\$25.0 million) of the City's General Fund Revenues. The City anticipates carrying forward \$14.8 million from FY2002 to FY2003. Over \$7.5 million of this money comes from excess funds from FY2001 that were allocated in the current year. Over \$4 million is appropriated from the fund balance for savings anticipated at the end of FY2002. Neighborhoods, tourism infrastructure, zoo animals and the staffing and organizational review funds are carry-forward items for next year.

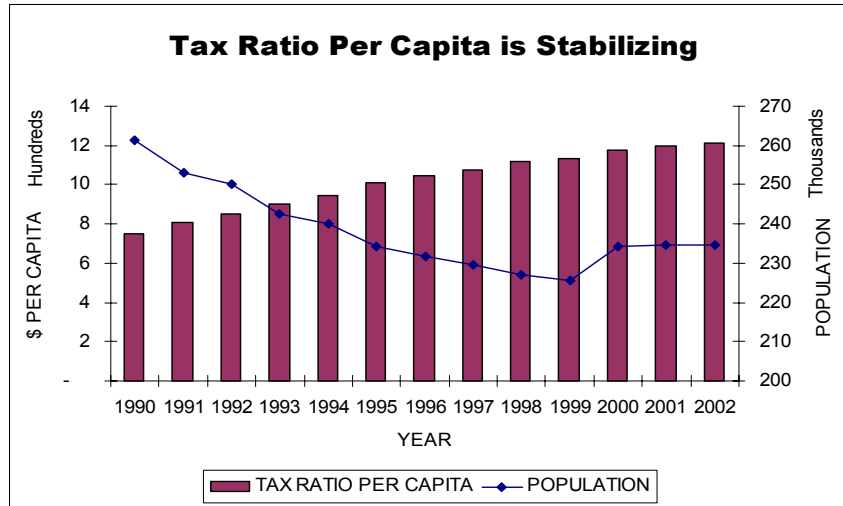
<b>Appropriations from FY2001 Excess Funds (\$10.4 million)</b>	
Southside Schools Initiative	2,250,000
Housing Initiative	1,000,000
Fleet Cash Purchase	800,000
Health Care	1,000,000
Strategic Land Acquisition Revolving Fund	2,500,000
<b>Subtotal</b>	<b>7,550,000</b>
<b>Carry forward Appropriations from FY2002</b>	
Neighborhoods	300,000
Tourism Infrastructure	525,000
Parking Fund Recovery	390,300
Zoo Animals	24,430
Staffing and Organizational Review	2,100,000
Additional Fund Balance Appropriation	4,000,000
<b>Subtotal</b>	<b>7,339,730</b>
<b>Grand Total</b>	<b>14,889,730</b>

### **Special Revenue Funds**

The City of Norfolk has set up several special revenue funds to help track the performance of the operations that are expected to be self-sufficient in the future. Four new special revenue (SR) funds are being set up in FY2003, including Emergency Operations Center, Strategic Land Acquisition, Public Amenities, and Cemeteries. These new SR funds will join three existing funds, including Nauticus, Towing, and the Environmental Stormwater fund.

## Per Capita Tax Ratio

One measure of the City's financial health is a review of the tax imposition to its per capita (i.e. population) ratio. Norfolk's per capita tax burden was \$1,209 in FY 2002. The tax per capita is remaining stable in FY2002, owed partially to the stabilization of the population base. The chart shows Norfolk's per capita tax ratio in the nineties.



## TAX AND FEE CHANGES

### Tax Changes

Tax	Current	Proposed	Fiscal Impact
Restaurant Tax	5.5 percent	6.5 percent	\$3,581,000
Hotel/Motel Tax	7 percent	8 percent	\$684,000
Business License Tax for Stevedores	\$0.36/\$100 of gross receipts up to \$5,000,000; \$0.05/\$100 thereafter	\$0.36/\$100 of gross receipts, up to a maximum tax of \$2,500.	(\$50,825)
Recreational Vehicle	\$2.00 per \$100 Assessed Value	\$1.50 per \$100 Assessed Value	(\$22,000)

Due to the problem of not covering 100 percent of the cost of the 911 communications, the following tax increase is being considered.

Tax	Current	Proposed	Fiscal Impact
Emergency 911 Tax	\$2.20	\$2.40	\$300,000

### Fee Changes

Fee	Current	Approved	Fiscal Impact
Courthouse Security Fees	None	\$5 per criminal and traffic case	\$500,000
Jail Processing Fees	None	\$25 (in addition to current \$10 medical processing fees)	\$78,750
DNA Fees	None	\$25 for DNA samples of convicted felons, collected as part of court costs. Revenue shared by City and State	\$35,000

## STATEMENT OF ANTICIPATED REVENUES

Revenue Description	FY2001 Actual	FY2002 Budget	FY2002 Estimate	FY2003 Estimate
<b>General Property Taxes</b>				
<b>Real Property Tax</b>				
Real Prop-Current	102,464,113	108,011,486	108,020,000	113,047,700
Real Prop-Delinquent	3,379,994	3,697,518	4,500,000	4,737,600
Real Prop-Interest	1,175,120	1,304,708	1,278,470	1,420,000
<b>Real Property Tax Total</b>	<b>107,019,227</b>	<b>113,013,712</b>	<b>113,798,470</b>	<b>119,205,300</b>
<b>Real Property - Business Improvement District</b>				
Real Prop-Bid-Current	0	967,439	967,439	1,012,000
Real Prop-Bid-Delinquent	0	0	14,000	15,000
<b>Real Property - BID Total</b>	<b>0</b>	<b>967,439</b>	<b>981,439</b>	<b>1,027,000</b>
<b>Real Property - Public Service Corporations</b>				
Real Prop Pub Service Corp	9,132,800	9,100,000	9,600,000	9,700,000
Real Prop Pub Service Corp-Del	0	78,400	25,000	25,000
<b>Real Property - Public Service Corp Total</b>	<b>9,132,800</b>	<b>9,178,400</b>	<b>9,625,000</b>	<b>9,725,000</b>
<b>Personal Property Tax</b>				
Pers Prop-Current	22,501,036	24,500,000	24,000,000	24,427,600
Pers Prop-Delinquent	7,095,365	8,500,000	7,500,000	7,803,000
Pers Prop-Interest	1,198,379	1,019,648	1,100,000	1,252,400
<b>Personal Property Tax Total</b>	<b>30,794,780</b>	<b>34,019,648</b>	<b>32,600,000</b>	<b>33,483,000</b>
<b>Personal Property Tax - Public Service Corp</b>				
Pers Prop-Pub Serv Corp	39,642	250,780	90,000	90,000
Pers Prop-Pub Serv Corp-Delinquent	6,621	0	5,000	5,000
<b>Personal Prop. Tax- Public Service Corp Total</b>	<b>46,263</b>	<b>250,780</b>	<b>95,000</b>	<b>95,000</b>
<b>Mobile Home Tax</b>				
Taxes-Mobile Home-Current	13,538	20,000	20,000	20,000
Taxes-Mobile Home-Delinquent	8,387	10,954	10,954	11,000
Taxes-Mobile Home-Interest	3,143	1,871	3,000	3,000
<b>Mobile Home Tax - Total</b>	<b>25,068</b>	<b>32,825</b>	<b>33,954</b>	<b>34,000</b>
<b>Machinery and Tools Tax</b>				
Machinery & Tools-Current	6,186,896	6,390,818	6,300,000	7,950,000
Machinery & Tools-Delinquent	186,698	382,468	382,468	380,000

## STATEMENT OF ANTICIPATED REVENUES

Revenue Description	FY2001 Actual	FY2002 Budget	FY2002 Estimate	FY2003 Estimate
Machinery & Tools-Interest	12,129	9,577	9,577	10,000
<b>Machinery and Tools Tax Total</b>	<b>6,385,723</b>	<b>6,782,863</b>	<b>6,692,045</b>	<b>8,340,000</b>
<b>General Property Taxes Total</b>	<b>153,403,861</b>	<b>164,245,667</b>	<b>163,825,908</b>	<b>171,909,300</b>
<b>Other Local Taxes</b>				
<b>Taxes-Sales &amp; Use</b>	<b>25,221,918</b>	<b>26,875,275</b>	<b>25,650,000</b>	<b>26,214,300</b>
<b>Utility Taxes</b>				
Taxes-Consumer Util-Water	4,167,868	4,500,000	4,178,393	4,250,000
Taxes-Consumer Util-Telephone	10,907,871	13,000,000	12,100,000	12,250,000
Taxes-Consumer Util-Electric	12,740,994	12,500,000	13,120,000	13,300,000
Taxes-Consumer Util-Gas	3,558,190	3,206,250	3,390,621	3,514,000
Taxes-Consumer Util-Cable TV	1,821,296	1,900,000	1,900,000	2,000,000
Taxes-Consumer Util-Telecomm	2,896,537	2,800,000	3,762,960	4,278,000
<b>Utility Taxes</b>	<b>36,092,756</b>	<b>37,906,250</b>	<b>38,451,974</b>	<b>39,592,000</b>
<b>Business Taxes</b>				
Taxes-Business License	18,392,623	17,593,138	18,500,000	18,634,200
Taxes-Franchise	1,732,662	1,700,000	1,700,000	1,750,000
Taxes-Cable TV Franchise	1,523,223	1,600,000	1,548,308	1,600,000
Taxes-Bank Stock	1,392,337	1,297,599	1,297,599	1,300,000
<b>Business Taxes</b>	<b>23,040,845</b>	<b>22,190,737</b>	<b>23,045,907</b>	<b>23,284,200</b>
<b>Licenses and Decals</b>				
Licenses-Motor Vehicle	3,479,490	3,323,144	3,420,000	3,454,200
Licenses-Boats	89,392	60,000	77,000	87,500
<b>Licenses and Decals</b>	<b>3,568,882</b>	<b>3,383,144</b>	<b>3,497,000</b>	<b>3,541,700</b>
<b>Consumer Taxes</b>				
Taxes-Recordation	640,531	647,800	824,900	824,900
Taxes-Cigarette	4,121,958	3,900,000	4,100,000	4,200,000
Taxes-Admissions	3,648,739	3,250,000	3,850,000	4,150,000
Taxes-Hotel & Motel Room	4,362,435	4,500,000	4,700,000	5,000,000
Taxes-Restaurant Food	18,759,238	18,848,000	19,200,000	19,700,000
Taxes-Estate Probate	38,577	35,100	27,600	27,600
Taxes-Short Term Rental	184,868	150,000	170,000	170,000
<b>Consumer Taxes</b>	<b>31,756,346</b>	<b>31,330,900</b>	<b>32,872,500</b>	<b>34,072,500</b>

## STATEMENT OF ANTICIPATED REVENUES

Revenue Description	FY2001 Actual	FY2002 Budget	FY2002 Estimate	FY2003 Estimate
<b>Other Local Taxes Total</b>	<b>119,680,747</b>	<b>121,686,306</b>	<b>123,517,381</b>	<b>126,704,700</b>
<b>Permits, Fees &amp; Licenses</b>				
Licenses-Animal	59,378	41,800	42,900	42,900
Permits-Building	518,398	780,000	466,000	475,000
Permits-Electrical	273,418	312,000	295,000	300,000
Permits-Plumbing	163,141	180,000	130,000	140,000
Permits-Driveway	15,630	11,883	17,440	11,900
Permits-Utility Cut	129,229	97,859	226,030	200,000
Permits-Special ROW/Temp Parking	17,480	10,114	23,980	15,000
Permits-Sidewalk Repair	3,267	3,100	3,100	3,100
Permits-St Construction	4,577	5,365	400	5,400
Permits-Weapons	18,490	18,100	22,000	22,000
Permits-Precious Metal Dealer	6,400	7,600	5,100	6,400
Licenses-Burglar Alarm	1,205	1,600	1,300	1,300
Fees-Fire Permit	42,751	30,000	40,000	45,000
Fees-Plan Review	63,785	80,000	63,000	70,000
Fees-Mechanical Code Inspection	185,261	205,500	170,000	175,000
Fees-Electrical Acct Inspection	125	12,000	-	0
Fees-Wetland Permit	5,350	4,350	4,350	4,400
Fees-Zoning	64,013	61,650	63,100	64,000
Fees-Registration Vacant Buildings	175	75,716	250	300
Fees-Transfer	5,892	6,200	6,600	6,600
Fees-Elevator Inspection	135,924	120,000	78,297	120,000
Fees-Yard/Garage Sale	10,865	12,400	12,200	13,000
Fees-Sign Inspection	5,055	0	-	30,000
Fees- Neighborhood & Leisure Services	77,237	56,761	79,500	80,000
Classes	225,907	214,107	212,920	221,800
Concession-Neighborhood & Leisure Svcs	3,660	2,810	3,700	3,700
Rental	57,309	45,092	50,120	50,100
Contracts	2,000	2,000	2,000	2,000
Camp-Wakeup-Nhborhd & Lsure Svcs	402,643	887,440	461,640	512,000
Permits-Excessive Size & Weight	89,695	86,206	87,700	86,100
Permits-Taxi Operator	12,240	11,200	14,500	14,500
Permits-Foot Race/Bicycle Race	2,500	2,073	3,400	2,000

## STATEMENT OF ANTICIPATED REVENUES

Revenue Description	FY2001 Actual	FY2002 Budget	FY2002 Estimate	FY2003 Estimate
Decals-Residential Parking	18,548	4,660	7,284	4,700
<b>Permits, Fees and Licenses Total</b>	<b>2,617,729</b>	<b>3,389,586</b>	<b>2,593,811</b>	<b>2,728,200</b>
<b>Fines And Forfeitures</b>				
Fines & Forfeitures	1,369,658	1,387,500	1,369,658	1,378,700
Fees-Handling Bad Checks	10,365	12,183	12,000	12,500
Forfeitures-Untaxed Cigarettes	2,802	2,750	1,500	2,000
Penalties-Refuse Violation	18,183	5,000	20,000	25,000
Fees-Excess Wt Penalties	29,705	28,000	60,000	60,000
Fines-False Alarm	127,986	148,000	115,000	115,000
<b>Fines And Forfeitures Total</b>	<b>1,558,699</b>	<b>1,583,433</b>	<b>1,578,158</b>	<b>1,593,200</b>
<b>From Use of Money &amp; Property</b>				
Interest-Taxable	33,270	26,000	10,000	5,000
Interest on Investments	3,188,444	3,686,000	2,210,000	1,920,000
Interest-Other	144,819	138,600	77,300	153,300
Rental-General Properties	2,464,269	2,063,148	2,363,218	2,422,300
Rental-Gov's Magnet School	23,630	21,080	21,080	21,100
Rental-Harbor Park-Tides	400,062	350,000	291,458	300,000
Rental-Cultural Convention Center	809,444	900,000	650,000	700,000
Rental-VA Stage/Wells Theatre	66,856	83,500	83,500	83,500
Rental-Harrison Opera House	103,226	110,000	105,000	110,000
Rental-Harbor Park-Other	24,200	25,000	32,000	26,000
Rental-Ocean View Golf Course	80,000	80,000	80,000	80,000
Rental-Lake Wright Golf Course	175,000	175,000	175,000	175,000
Concession Rental-Cultural Center	624,698	502,700	502,700	600,000
Sale Of-Salvage Materials	73,703	70,000	70,000	70,000
Fees-Ad, Scope Scoreboard	25,000	25,000	25,000	25,000
Rental-Equipment	24,744	60,000	20,000	79,500
Ticket System-Cultural Center	195,321	225,000	200,000	225,000
Rental-Picnic Shelters	12,755	14,305	16,300	16,300
Commissions-Jail Telephone	624,000	624,000	624,000	624,000
Advertising	8,000	41,200	8,000	40,000
<b>From Use of Money &amp; Property Total</b>	<b>9,101,441</b>	<b>9,220,533</b>	<b>7,564,556</b>	<b>7,676,000</b>



## STATEMENT OF ANTICIPATED REVENUES

Revenue Description	FY2001 Actual	FY2002 Budget	FY2002 Estimate	FY2003 Estimate
<b>Charges for Services</b>				
Court Costs	142,384	113,172	221,780	289,300
Courthouse Security				500,000
DNA Charges				35,000
Fees-High Constable	548,107	510,000	510,000	540,000
Charges-Information Systems	28,578	7,200	7,200	7,200
Fees-Court Officers	8,704	8,200	9,300	9,300
Fees-Excess	0	0	38,500	36,200
Fees-City Sheriff	35,290	38,116	38,116	38,800
Detention Home Charge For Ward	140,860	159,981	50,000	77,600
Jail Medical Fees	97,886	80,000	80,000	84,000
Jail Processing Fees				78,800
Fees-Miscellaneous School	2,311,565	2,712,500	2,712,500	2,553,412
Paramedical Rescue Service	1,510,305	1,834,539	1,750,000	1,834,588
Fire & Paramedical Reports	2,330	2,500	2,500	2,500
Emergency Service Reports	864	500	500	500
Charges-Insurance	100,000	150,000	125,000	125,000
Charges-Animal Protection	57,877	54,000	59,100	59,100
Police Records And Reports	142,168	145,000	136,000	136,000
Public Vehicle Inspect Certificates	7,840	27,000	25,000	25,000
Nonemergency Traffic Escort	34,645	29,000	29,000	29,000
Fees-Library Fines	94,698	72,875	72,875	80,200
Charges-Public Works	48,665	114,000	35,800	397,500
Charges-Mat-Street & Bridges	24,365	120,000	20,000	53,000
Fees-Zoo Admission	275,846	275,800	275,800	275,800
Services-Cemetery	670,955	738,000	674,000	0
Charges-Transient Yacht	136,973	137,643	137,643	137,700
Deposits-Cemetery Trust Fund	0	160,600	143,300	0
Fees-Cemetery Foundation	173,067	149,600	147,600	0
Sale Of-Publications	4,512	200	200	200
Sales Surveys-Blueprints-Maps	26,290	22,326	22,402	22,000
Fees-Refuse Disposal	6,553,433	8,108,988	7,300,000	7,300,000
Fees-Small Animal Cremation	1,968	2,000	2,200	2,200
Fees-Tax Abatement	2,600	2,000	1,500	1,500

## STATEMENT OF ANTICIPATED REVENUES

Revenue Description	FY2001 Actual	FY2002 Budget	FY2002 Estimate	FY2003 Estimate
<b>Charges for Services Total</b>	<b>13,182,812</b>	<b>15,779,172</b>	<b>14,627,816</b>	<b>14,731,400</b>
<b>Miscellaneous</b>				
Commissions-Advertising	8,514	15,500	13,716	15,600
Payments In Lieu Of Taxes	3,515,428	3,969,817	3,893,063	3,680,000
Fees-Dup Real Prop Bills	30,189	0	40,000	40,000
Sale Of Other Property	1,700	1,700	1,700	8,800
Fees-Admin-Delinquent Tax Collection	13,268	34,500	12,000	12,000
Sale Of Cemetery Lots & Graves	327,879	374,700	374,700	0
Fees-Primary	0	16,000	16,000	0
Sale Of Unclaimed Property	2,721	17,500	22,200	18,000
Revenue-Other Miscellaneous	1,094,043	32,366	19,025	20,000
Revenue-Other-Community Development	220	150	150	200
<b>Miscellaneous Total</b>	<b>4,993,962</b>	<b>4,462,233</b>	<b>4,392,554</b>	<b>3,794,600</b>
<b>NonCategorical Aid</b>				
ABC Profits	688,461	594,210	594,210	283,950
Taxes-Wine	388,047	351,728	351,728	321,210
Taxes-Rolling Stock	183,427	181,298	150,976	150,970
Taxes-Mobile Home Title	79,651	25,000	25,000	25,000
Taxes-Rental Of Passenger Car	2,542,172	2,400,000	2,155,200	2,653,000
Law Enforcement	12,417,816	13,237,135	12,085,471	12,470,120
Taxes-Grantors Tax On Deeds	221,380	213,500	306,600	300,050
Taxes-PPT State Reimbursement	12,967,181	7,682,000	12,967,181	13,739,600
<b>NonCategorical Aid Total</b>	<b>29,488,135</b>	<b>24,684,871</b>	<b>28,636,366</b>	<b>29,943,900</b>
<b>Recovered Costs</b>				
DUI Convictions	0	500	466	0
Transport Of Prisoner	194,734	220,000	220,000	220,000
Public Health Center	1,645,481	1,419,186	1,600,000	1,600,000
Parks & Forestry	11,804	6,000	-	0
Zoo	1,555	2,974	4,140	3,000
Workers Compensation	68,485	10,000	466	500
Nuisance Abatement	588,661	445,120	430,000	440,000

# STATEMENT OF ANTICIPATED REVENUES

Revenue Description	FY2001 Actual	FY2002 Budget	FY2002 Estimate	FY2003 Estimate
Fees-Audit	18,875	19,441	18,280	18,900
Retirement Bureau	283,419	300,000	300,000	305,000
Insurance	4,670	131,425	122,625	121,500
Benefits Prgm Admin	144,287	142,305	120,369	117,700
BID Program	25,000	0	25,000	25,000
Community Development	258,021	250,000	180,000	80,000
General Overhead/Water Fund	1,053,025	1,085,598	1,080,922	1,206,100
Debt Service	993,023	938,747	938,747	910,400
Telephone Charges	306,114	272,171	264,648	312,381
Radio & Electronics	67,979	48,360	51,523	50,700
HRT Subsidy	178,000	500,000	500,000	1,377,000
Cemetery Operations	225,000	300,000	300,000	0
Capital Improvements Program	412,663	58,000	58,000	58,000
Public Information	4,560	4,918	4,156	4,300
Water Fund Security	128,215	128,200	128,200	147,100
Recoveries & Rebates	620,775	826,566	444,266	1,128,016
General Overhead	252,002	259,000	241,321	333,000
Information Systems Support	1,121,308	969,837	982,539	910,903
Juvenile Services Bureau	74,043	0	-	0
Jail Meals	974	2,000	2,000	1,200
ACR Assessments	547	1,100	1,100	1,100
Community Corrections Program	0	57,318	-	0
Parking Facilities Fund	427,393	460,833	430,000	390,300
Storm Water	839,000	856,217	764,415	766,300
Public Housing-Solid Waste	240,545	259,000	259,000	259,000
Commonwealth Of VA-Spec Rev	0	49,188	49,188	0
<b>Recovered Costs Total</b>	<b>10,190,164</b>	<b>10,024,004</b>	<b>9,521,371</b>	<b>10,787,400</b>

## Shared Expenses

Commonwealth's Attorney	2,083,274	2,131,555	2,111,855	2,095,786
City Sheriff	13,400,385	13,349,444	13,327,374	13,147,906
Commissioner Of The Revenue	623,326	611,772	611,932	600,143
City Treasurer	584,891	634,700	637,655	610,110
Medical Examiner	5,340	5,900	5,900	5,487
Registrar/Elect Board	77,988	80,537	78,406	74,868

## STATEMENT OF ANTICIPATED REVENUES

Revenue Description	FY2001 Actual	FY2002 Budget	FY2002 Estimate	FY2003 Estimate
<b>Shared Expenses Total</b>	<b>16,775,204</b>	<b>16,813,908</b>	<b>16,773,122</b>	<b>16,534,300</b>
<b>Public Assistance</b>				
Public Assist Grants	14,246,067	14,451,438	14,900,000	16,211,000
Social Services Admin-Commonwealth of VA	13,453,923	16,907,004	17,500,000	18,001,900
<b>Public Assistance Total</b>	<b>27,699,990</b>	<b>31,358,442</b>	<b>32,400,000</b>	<b>34,212,900</b>
<b>Categorical Aid For Education</b>				
Sale & Use Tax Return	26,113,101	27,980,568	26,192,042	27,195,200
State School Funds	129,108,297	125,697,300	127,448,402	129,740,300
<b>State Education Total</b>	<b>155,221,398</b>	<b>153,677,868</b>	<b>153,640,444</b>	<b>156,935,500</b>
<b>Other Categorical Aid</b>				
Street Construction and Maintenance	14,109,314	14,557,442	14,697,911	15,486,659
Group Life Insurance, State Employees	1,657	1,700	1,600	1,600
Retirement-Other State Employees	31,069	37,600	27,600	27,000
Social Security-Other State Employees	40,663	37,900	37,000	35,800
State Library Grant	329,720	318,520	307,530	274,900
Div. Youth Services Facilities	1,858,873	1,881,037	1,750,000	1,881,100
Va. Dept. Juv. Justice-VJCCCA	1,818,974	1,818,974	1,818,974	891,298
Local Adult Correctional Facilities	4,421,184	4,145,000	4,145,000	4,150,038
Taxes-Recordation	575,735	690,217	690,217	659,205
<b>Categorical Aid- Virginia Total</b>	<b>206,108,577</b>	<b>208,524,700</b>	<b>209,516,276</b>	<b>214,556,000</b>
<b>Federal Aid</b>				
Federal School Funds	4,651,726	5,480,000	5,480,000	5,920,640
Services-Civil Emergency	56,381	83,227	63,409	69,800
Social Security Payments - Prisoners	2,200	5,600	9,000	9,930
<b>Federal Aid Total</b>	<b>4,710,307</b>	<b>5,568,827</b>	<b>5,552,409</b>	<b>6,000,370</b>
<b>Other Sources and Transfers</b>				
Rollover from Last Year	0	6,330,000	6,330,000	14,889,730
Return from Stormwater Fund				890,000
Return from Wastewater Fund	1,450,000	0	-	0

# STATEMENT OF ANTICIPATED REVENUES

Revenue Description	FY2001 Actual	FY2002 Budget	FY2002 Estimate	FY2003 Estimate
Return from Water Utility Fund	10,346,000	8,000,000	8,000,000	8,500,000
Proceeds from Sale Of Land	10,762,634	750,000	875,000	750,000
<b>Other Sources and Transfers</b>	<b>22,558,634</b>	<b>15,080,000</b>	<b>15,205,000</b>	<b>25,029,730</b>
<b>Total General Fund</b>	<b>594,370,272</b>	<b>601,063,240</b>	<b>603,304,728</b>	<b>631,989,100</b>